

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0996-03
Bill No.: Perfected SCS for SB 131
Subject: Motor Vehicles; Transportation
Type: Original
Date: March 17, 2011

Bill Summary: This proposal exempts qualified plug-in electric drive vehicles from the motor vehicle emissions inspection program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation** and **Department of Revenue** assume there will be no fiscal impact to their agency.

Officials from the **Department of Natural Resources (DNR)** assume the current emission inspection fee is \$24. For every inspection, \$3.45 goes to the contractor for updating the database and maintaining equipment; \$2.50 goes to the Department of Natural Resources and the remainder goes to the station.

At this time the Inspection Maintenance program software can only capture information on whether the vehicle being inspected is gasoline or diesel. It does not identify a vehicle as a hybrid-electric vehicle. The total number of vehicles receiving emission inspections conducted in FY 2010 was 695,433.

According to a service department at a Honda dealership and per the information their technician provided, most of the time a hybrid vehicle operates on roughly 75% gasoline, 25% electric power basis.

By exempting hybrid electric vehicles, the Gateway Vehicle Inspection Program would receive fewer proceeds from the inspection fees; however the amount of fiscal impact is unknown due to the unknown number of vehicles that would be exempted under this proposal.

Oversight assumes until a determination is made on the number of vehicles that may be exempted under this proposal the initial impact would be \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2012
(10 Mo.)

FY 2013

FY 2014

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Manufacturers of certain qualified plug-in electric vehicles will not need to obtain emissions inspection.

The proposal could possible reduce the revenue for small business inspection stations because fewer cars would require inspections due to proposed exemptions.

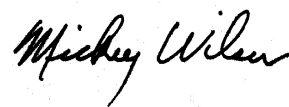
FISCAL DESCRIPTION

The proposal exempts qualified plug-in electric drive vehicles from the motor vehicle emissions inspection program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Department of Revenue
Department of Natural Resources



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